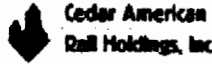


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April 23, 2008

Final draft to SHPO

Ms. Catherine Glidden
Surface Transportation Board
395 E Street SW
Washington, DC 20043-0001

RE: *LEVEL I AND II CULTURAL RESOURCE SURVEY AND SITE TESTING AND EVALUATION OF 317 MILES OF RAILROAD RECONSTRUCTION FROM THE MINNESOTA BORDER TO WALL, SOUTH DAKOTA: DM&E'S PROPOSED POWDER RIVER EXPANSION PROJECT*

Dear Ms. Glidden:

Please find enclosed 1 copy of a final archaeological resources inventory and evaluation for the Powder River Basin Project (PRB Project) in South Dakota. This report was originally prepared by Burns & McDonnell and processed by your office. Your office submitted the report to the South Dakota State Historic Preservation Office (SHPO) during the NEPA process. The STB reissued the report in January 2008 in order to solicit comments from cooperating agencies and Tribes, per the process outlined in the Programmatic Agreement (PA). No comments were received. We request that you consult again with the SHPO to seek consensus on your determinations of eligibility. We are therefore sending two copies to Mr. David Bibler at the Louis Berger Group for distribution to the SHPO.

Consistent with terms outlined in paragraph A.5 of the Programmatic Agreement, and discussions between STB and DM&E, we will request authorization to construct in those project areas determined to be negative for historic properties upon completion of each STB report review. Therefore, based on the attached report results, we anticipate that STB and SHPO will reach consensus determinations of National Register eligibility for sites 39KB15, 39BE129, 39HK77, 38HK76, 39HU97, 39HU5 and 39HU7 located within the 317 miles of proposed railroad reconstruction that extend from the Minnesota border to Wall, South Dakota addressed in this report, and that we will receive authority to construct in all areas outside of the sites and their 300 foot protective buffer zones upon completion of the SHPO's review.

DM&E recognizes that as engineering planning progresses and ancillary facilities are confirmed, alterations to the corridor may be proposed that merit additional cultural resource inventory. If any such additional inventory is required, it will be conducted in accordance with the provisions for Addendum Reports as specified at Stipulation A.3.4 of the Programmatic Agreement.

Feel free to contact me if you have any questions or if I can assist in your distribution of the report. Please advise Michael Madson (mmadson@hdrinc.com) as to the SHPO comments as they become available. We recognize that the Programmatic Agreement stipulations provide the SHPO 60 days for review and concurrence regarding determinations of eligibility. We appreciate any effort your office can make to expedite that process and look forward to the SHPO's comments and finalizing the report and recommendations.

Sincerely,

Herb Jones
Director, Government Affairs
Dakota, Minnesota & Eastern Railroad

Cc: David Bibler, Louis Berger Group
Doug Jackson, HDR Engineering, Inc.
Michael Madson, HDR Engineering, Inc.